

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Application by Qwest Communications)
International Inc. for Provision of)
In-Region, InterLATA)
Services in Montana, Utah, Washington)
and Wyoming)
_____)

CC Docket No. 02-189

REPLY DECLARATION OF SHERRY LICHTENBERG

1. My name is Sherry Lichtenberg. I am the same Sherry Lichtenberg who previously filed a declaration in this proceeding. The purpose of this declaration is to provide brief updates on some of the factual developments since I filed my declaration. I will not reiterate the points I made in the prior declaration.
2. First, Qwest's failure to offer industry-standard migrate-as-specified ordering continues. Qwest has stated in an August 13 *ex parte* that as of August 15 it would permit CLECs to submit orders without listing existing features if a customer did not wish to retain those features. It is my understanding, however, that this is not a change and thus will not help eliminate the problems WorldCom is experiencing. While WorldCom originally believed based on Qwest's documentation that it had to list all existing features, by the time I filed my declaration in this proceeding we had discovered that this was not so. We had determined that the problems WorldCom was experiencing were caused by the fact that CLECs had to differentiate between features the customer wished to retain and new features the customer wished to order for the first time. Qwest's August 15 change will not address this problem; it will simply reveal what should have been clear all along – the

way Qwest's systems actually work with respect to features the customer does not wish to retain.

3. Qwest has indicated that WorldCom could ask for an exception to the change management process to implement industry standard migrate as specified and also migrate by name and telephone number. Taking up this suggestion, WorldCom has now made such a request and has specifically requested that this functionality be implemented by the end of the year. Qwest has now informed WorldCom that the procedures for responding to such a request are still being worked out. As of today, there is no assurance whatsoever that the needed functionality will be implemented any time soon. Absent agreement with WorldCom's exception request, migrate as specified will not be implemented until next April, and it is not at all clear when migrate by name and telephone number will be implemented.
4. Qwest has recently indicated that it would not be able to implement all of LSOG 6 next April if CLECs wanted any of their prioritized changes included in the April release. CLECs were given the option of implementing only part of LSOG 6 and including some CLEC changes in April. They voted in favor of this option. Hopefully, this will leave room to include migrate as specified in the April release since it was ranked second, but it will almost certainly not include room for migrate by name and telephone number even though it was ranked quite high – 19th by CLECs. One reason that some other CLECs may have been reluctant to request an even higher priority for migrate by name and telephone number is that Qwest indicated it would take between 1,875 and 3,125 hours to implement. In contrast, BellSouth has stated that it took 999 hours of actual time to implement migrate by telephone number.

5. Qwest states that some CLECs have managed to implement pre-order and order and achieve low reject rates despite problems with Qwest's current systems and suggests that the WorldCom's high reject rate may be its own fault. I can only reiterate that WorldCom's reject rate in ordering through Z-Tel remains more than twice as high in the Qwest region as in the other regions where it is ordering through Z-Tel. Moreover, in July, 36% of the rejects WorldCom received related to address issues, 15% to multiple CSRs and 7% to feature activity – indicating Qwest's complex pre-ordering and ordering processes are largely to blame. Some of these rejects cannot be eliminated even with perfect integration. Because Qwest requires CLECs to rely on feature information from the CSR, for example, and because the CSR information is often wrong, CLECs will inevitably face rejects no matter how perfectly they integrate.
6. In any event, a high reject rate is not the only problem caused by Qwest's complex process. As I have previously explained, that process significantly increases development costs and delays processing of customer orders when the customer is on the phone. One reason this is so, which I have not discussed previously, is that integrating pre-ordering and ordering in Qwest requires the CLEC to program its systems to first extract the customer's telephone number(s) from the CSR where it is hidden under the feature descriptions. The systems must then again search through the CSR to pull the feature information. In contrast, with other ILECs, the telephone numbers are separately delineated allowing one search through the CSR. Moreover, in the Qwest region, the CLEC's systems must translate information in pre-order that is included in non-standard pre-order fields into the standard ordering fields, based on a table created by the CLEC. In contrast, with other ILECs, the names of the pre-order and order fields match. All of

this significantly increases processing time as compared with the process in other regions, increasing the amount of time it takes to display a CSR to customer service representatives by about 15 seconds. This is critical in a mass markets business driven by volumes.

7. It is also critical that CLECs are able to submit supplemental orders to change features or due dates, or other account maintenance orders, based on the customer information they have imported into their own databases. I have previously explained that Qwest's process prevents CLECs from doing so. Qwest does not even address this failure.
8. One other point I should note is that we recently discovered that it may not always be possible to use the address obtained from the address validation function to access the CSR. This is because of discrepancies between the different back-end databases, CRIS and PREMIS, accessed through the two functions. In answer to WorldCom's question on this point, Qwest responded that it would have to research this issue. This only adds one more problem associated with Qwest's reliance on service addresses.
9. I would also like to point out that our recent experience has confirmed the importance of my prior warning that Qwest has not shown it would follow its change management process and that it had yet to be determined whether there were significant problems with the process itself. In recent months, Qwest has made a number of changes to its OSS that impact CLECs, without providing advance notice of its changes. Qwest's August 13 *ex parte* lists a number of such changes, and there have been many others. If Qwest really had been changing its systems on August 15 to eliminate a pre-existing requirement that CLECs list all existing features on migration orders, for example, advanced notice would clearly have been required so that CLECs could change their

systems and prepare for any possible harmful impact of the change. But Qwest did not provide the advanced notice required by the change management process.

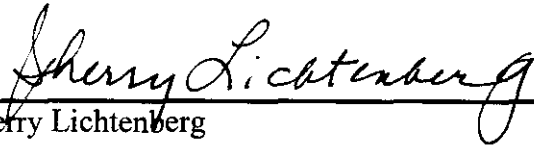
10. I will not reiterate all of the other problems I discussed in my prior declaration. Suffice it to say that nothing Qwest has said has convinced me these problems do not exist. I agree with what WorldCom says in its Reply Comments about these problems, as well as what it says about the problems I have already discussed.

CONCLUSION

11. This concludes my declaration on behalf of WorldCom, Inc.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 26th day of August, 2002



Sherry Lichtenberg

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Application by)	
Qwest Communications International, Inc.)	
for Authorization to Provide)	WC Docket No. 02-189
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in Montana, Utah, Washington, and Wyoming)	
_____)	

**REPLY DECLARATION OF CHRIS FRENTROP
ON BEHALF OF WORLDCOM, INC.**

Based on my personal knowledge and on information learned in the course of my duties, I, Chris Frentrup, declare as follows:

I. INTRODUCTION AND SUMMARY

1. I am the same Chris Frentrup who previously filed a declaration in this proceeding.
2. In Qwest's multi-state section 271 applications, Qwest set its unbundled network element (UNE) rates on the basis of a benchmark comparison to Colorado UNE rates.¹ On August 2, 2002, Qwest filed a motion with the Colorado Public Utilities Commission (Colorado PUC) to revise several of its rates, including its switch port rate, due to concerns expressed by CLECs.² On August 14, 2002, the PUC approved Qwest's proposed reductions. In its reply comments for its first multi-state application (Qwest I), Qwest revised its benchmark

¹ See Qwest Brief, WC Docket No. 02-148 at 149; *See also* Qwest Brief in WC Docket No. 02-189 at 159.

² See Qwest Corporation's Motion for Approval of Exhibit A Pricing in 8th Revised SGAT and Request for Shortened Response Time and Expedited Ruling, filed with the Colorado PUC, Docket No. 02M-260T, Aug. 2,

analysis to reflect the reduced port rate and, accordingly, lowered its switch usage rates in Idaho, Iowa, North Dakota, and Nebraska by 9 to 10 percent. Since the rates for Montana, Utah, Washington, and Wyoming are also benchmarked to the Colorado rates, Qwest must reduce its switch usage rates in these states to reflect this change. Using state-specific minutes-of-use to compute the benchmark in these states, as WorldCom has advocated in the Qwest section 271 proceedings, would result in reductions in the switch usage rate of between 11 and 25 percent. Even employing Qwest's inappropriate use of the standard minutes assumption to compute the benchmark, the switch usage rate still need to be reduced by between 5 and 10 percent, depending on the state.

II. SWITCH USAGE RATES MUST BE REDUCED IN ALL FOUR STATES TO REFLECT THE NEW PORT RATE IN COLORADO

3. The switch usage rates in Montana, Utah, Washington, and Wyoming must be reduced to meet the benchmark test. I have computed the revised benchmark switch usage rate for all eight states in both applications using the Excel workbooks on Qwest's website. I have computed the revised switch usage rates using both state-specific minutes of use assumptions (as WorldCom advocates) and standard minutes of use assumptions (as Qwest advocates). These rates are shown in Table 1 below.

TABLE 1

Port = \$1.15				% Difference from Qwest As Filed	
	Qwest As Filed	State-Specific Minutes	Standard Minutes	State- Specific Minutes	Standard Minutes
Qwest I					
ID	\$ 0.001740	\$ 0.001588	\$ 0.001583	-9%	-9%
IA	\$ 0.001869	\$ 0.001743	\$ 0.001710	-7%	-9%
ND	\$ 0.001953	\$ 0.001285	\$ 0.001785	-34%	-9%
NE	\$ 0.001989	\$ 0.001346	\$ 0.001791	-32%	-10%
Qwest II					
MT	\$ 0.002923	\$ 0.002394	\$ 0.002693	-18%	-8%
UT	\$ 0.001695	\$ 0.001504	\$ 0.001553	-11%	-8%
WA	\$ 0.001200	\$ 0.000900	\$ 0.001135	-25%	-5%
WY	\$ 0.001854	\$ 0.001621	\$ 0.001660	-13%	-10%

4. The column labeled "Qwest As Filed" shows the switch usage rates originally proposed by Qwest. They are based on the use of a standard minutes assumption in all states – 1,200 local originating and terminating minutes, and 370 toll minutes. They also reflect the effect on the Synthesis Model cost used in the benchmark methodology of the sale by Qwest of several local exchanges in Idaho, Iowa, North Dakota, and Utah. The next two columns show the reduced switch usage rate when using the new Colorado port rate of \$1.15 – the first column assumes the use of state-specific minutes-of-use³ and the second column assumes the use of standard minutes-of-use.

5. Using WorldCom's assumption of state-specific minutes would result in significant reductions in Qwest's switch usage rates, ranging from 11 percent in Utah to 25

³ See WorldCom Comments, WC Docket No. 02-148, Frentrup Decl. ¶¶ 9-12; WorldCom Comments, WC Docket No. 02-189, Frentrup Decl. ¶¶ 6-13.

percent in Washington. Even if Qwest's flawed standard minutes-of-use methodology is used, the switch usage rates need to be cut by 8 to 10 percent in all states except Washington, in which the rate should be cut by 5 percent.

III. THE BENCHMARK TEST SHOULD USE STATE SPECIFIC MINUTES

6. Qwest claims that use of standard rather than state-specific minutes is appropriate in computing the benchmark test. Qwest claims that state-specific minutes vary from year to year and that using standard minutes is the most straightforward and least controversial method of avoiding this variation. Qwest also states that use of standard minutes of use is consistent with the Commission's decisions in the Pennsylvania and Maine section 271 orders.

7. But Qwest's arguments ignore the Commission's clearly stated justifications in its most recent section 271 decision for using state-specific minutes when they are available.⁴ First, the Commission in the NJ 271 Order supported the use of state specific minutes in the benchmark analysis because UNE rates also are set using state-specific minutes.⁵ Second, the Commission explained that a lower demand level in a state will require a higher per-unit rate.⁶ Finally, the Commission found that use of state-specific minutes best reflects the number of minutes used by an average potential customer of a competitive local exchange carrier (CLEC), rather than the average customer that any individual CLEC actually does obtain.⁷

8. Using state-specific minutes to compute the benchmark is a straightforward exercise. I computed the minutes from publicly available data. To ignore a known difference in the number of minutes in each state because the mixes of inter/intraoffice,

⁴ NJ 271 Order at ¶ 53.

⁵ NJ 271 Order at ¶ 53.

⁶ NJ 271 Order at ¶ 53.

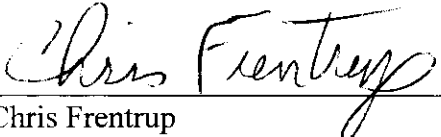
tandem/direct routed, or originating/terminating traffic are unknown is to let the perfect be the enemy of the good. Using reasonable industry assumptions of these mixes in conjunction with the state-specific minutes will provide a more accurate picture of the CLECs' potential market than will the use of the standard minute assumptions employed by Qwest, and thus be more consistent with the Commission's previous benchmark analyses and better reflect true market conditions.

IV. CONCLUSION

9. Qwest must reduce its switch usage rates in Montana, Utah, Washington and Wyoming to reflect on the benchmark computation the effect of its new port rate in Colorado. That computation should also use state-specific minutes, which will result in reductions ranging from 11 to 25 percent in the four states. Even if Qwest's inappropriate standard minutes assumption is used to compute the benchmark test, the rates will still need to be cut by 5 to 10 percent. The Commission should reject Qwest's section 271 application at least until Qwest lowers its rates to reflect the revised benchmark using state-specific minutes of use.

10. This concludes my Declaration on behalf of WorldCom.

I declare under penalty of perjury that the foregoing is true and correct. Executed on
August 26, 2002.


Chris Frentrup